GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:106
ANSWERED ON:17.07.2017
PF to Workers of Arathias
Kharge Shri Mallikarjun

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Arathias (Commission Agents) who procure foodgrains for Food Corporation of India (FCI) or other State Agencies have to register themselves under the Employees Provident Fund Act and pay the provident fund for the casual labour that works in the loading/ unloading of commodities during the procurement;
(b)if so, the details thereof and if not, the reasons therefor;
(c)whether such labourers are not employees of the Arathias but only provide labour for the procurement agencies;
(d)if so, the reasons for holding Arathias liable to pay EPF; and
(e)whether the Government is aware that given the reluctance of casual labour engaged for the aforesaid purpose to contribute towards the EPF, the concerned Arathias are forced to pay/contribute the entire amount of EPF and if so, the details thereof?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) & (b): Food Corporation of India is a covered establishment under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and all its employees engaged directly or employed by or through a contractor in connection with its work, are eligible for Provident Fund benefits as per the provisions of the Schemes framed under the said Act.
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(c) & (d): The definition of 'employee' as envisaged under section 2 (f) of the said Act is broad enough to include all kinds of employees e.g. regular, contractual, casual, daily wagers, etc. Thus, such casual labourers will also be employees of the contractors/Arathias. Therefore, the contractor, being an employer, will be liable to pay provident fund contributions in respect of such employees.
(e): As per paragraph 30 of the Employees' Provident Funds (EPF) Scheme, 1952, the employer in the first instance pay both the employer's and employee's contributions. Paragraph 32 of EPF Scheme, 1952 also provides that member's contribution paid by the employer shall be recoverable by means of deductions from the wages of member.

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